UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA
Criminal No. 17-cr-107-15 (DWF/TNL)

UNITED STATES OF AMERICA, Plaintiff, v. VEERAPON GHETTALAE, Defendant.	)	**MOTION FOR EMERGENCY STAY AND FOR REVIEW AND REVOCATION OF RELEASE ORDER**

The United States of America, by and through its attorneys, Gregory G. Brooker, Acting United States Attorney for the District of Minnesota, and Melinda A. Williams, Laura M. Provinzino, and Julie E. Allyn, Assistant United States Attorneys, hereby moves this Court, pursuant to 18 U.S.C. § 3145, first, to stay an order by a magistrate judge in the Central District of California releasing an indicted member of an international sex trafficking and money laundering organization, and second, to review and revoke the order of release.

FACTUAL AND PROCEDURAL BACKGROUND

1. On May 24, 2017, defendant Veerapon Ghettalae was arrested in Riverside, California, during a nationwide takedown of an international sex trafficking and money laundering organization. The defendant has been indicted by a grand jury in *United States v. Michael Morris, et al.*, 17-cr-107

(DWF/TNL), and is charged with Conspiracy to Engage in Money Laundering, in violation of 18 U.S.C. § 1956(h) (Count 4).[1] If convicted of these offenses after trial, the defendant faces an advisory sentence under the U.S. Sentencing Guidelines of approximately 235 months – 240 months of incarceration.[2]

2. On May 24, 2017, following his arrest, the defendant was brought before a magistrate judge in the Central District of California.[3] The government asked the magistrate judge to detain the defendant without bail pending removal to and trial in the District of Minnesota. The magistrate judge denied this detention motion and ordered the defendant's release on a $150,000 bond, $100,000 secured by property and $50,000 by surety. The magistrate further ordered the defendant should be placed on electronic

[1] The instant indictment involves the same criminal sex trafficking organization that was the subject of the government's September 2016 seventeen-person indictment in *United States v. Sumalee Intarathong*, *et al.*, 16-cr-257 (DWF/TNL). The government would note that no member of the criminal sex trafficking organization operating at the house boss/money launderer level or higher has been released pending trial. As discussed in detail below, defendant Ghettalae is a money launderer with the criminal organization.

[2] This estimated guidelines calculation is intended to assist the Court in determining the defendant's incentive to flee and is based on calculations for defendants in the *Intarathong* case facing the same charges.

[3] A transcript has not yet been prepared of the testimony and thus the summary is to the best recollection of the Assistant United States Attorney representing the government at the detention hearing.

monitoring and on home detention, at the discretion of Pretrial Services. The government requested a stay to allow the government to appeal the release order to this Court. The magistrate judge denied the request. The defendant remains in custody currently pending the deeding of property underlying the $100,000 property bond. The government's appeal of the defendant's release order follows.

LEGAL STANDARDS

3. Title 18, United States Code, Section 3142(f) identifies when the Court must hold a detention hearing, which includes cases involving crimes of violence, felony offenses, and violations of 18 U.S.C. § 1591 (Sex Trafficking by Force, Fraud, and Coercion). Title 18, United States Code, Section 3142(g) specifies factors that the court shall consider in its analysis of whether any condition or combination of conditions would assure a defendant's appearance before the Court and the safety of the community, as follows:

> (1) the nature and circumstances of the offense charged, including whether the offense is a crime of violence, a violation of section 1591, a Federal crime of terrorism, or involves a minor victim or a controlled substance, firearm, explosive, or destructive device;
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> (2) the weight of the evidence against the [defendant];
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> (3) the history and characteristics of the [defendant], including—

> (A) the person's character, physical and mental condition, family ties, employment, financial resources, length of residence in the community, community ties, past conduct, history relating to drug or alcohol abuse, criminal history, and record concerning appearance at court proceedings; and
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> (B) whether, at the time of the current offense or arrest, the person was on probation, on parole, or on other release pending trial, sentencing, appeal, or completion of sentence for an offense under Federal, State, or local law; and
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> (4) the nature and seriousness of the danger to any person or the community that would be posed by the person's release.

18 U.S.C. § 3142(g).

4. Pretrial detention may be ordered either upon (1) a clear and convincing showing that release will result in a danger to the community, or (2) a showing by a preponderance of the evidence that release will result in a serious risk of flight. *See United States v. Abad*, 350 F.3d 793, 797 (8th Cir. 2003); *United States v. Sazenski*, 806 F.2d 846, 848 (8th Cir. 1986).

5. Jurisdiction over the review of the release order issued by the magistrate judge in the district of arrest lies with this Court, rather than with a judge in the district of arrest, because this Court has original jurisdiction over the charged offenses, pursuant to 18 U.S.C. § 3145(a)(1), which provides in pertinent part:

(a) **Review of a release order.—**If a person is ordered released by a magistrate judge…

(1) the attorney for the Government may file, with the court having original jurisdiction over the offense, a motion for revocation of the order or amendment of the conditions of release . . .

The motion shall be determined promptly.

6. A magistrate judge's detention decision is subject to *de novo* review by the district court judge. *See United States v. Maull*, 773 F.2d 1479, 1485 (8th Cir. 1985). In its discretion, the district court may proceed to rehear the evidence to support detention presented to the magistrate judge and may consider additional evidence or arguments not raised previously. *Id.* at 1484. In explaining that "the district court, making an independent determination, can order pretrial detention even though the magistrate refused to do so[,]" the Eighth Circuit Court of Appeals emphasized that "'the magistrate acts subsidiary to and only in aid of the district court' and that 'the entire process takes place under the district court's total control and jurisdiction.'" *Id.* at 1486 (*quoting United States v. Raddatz*, 447 U.S. 667, 681 (1980)). In short, the Court may proceed as best enables it to resolve the question posed: whether any condition or combination of conditions will reasonably assure the appearance of the person as required and the safety of any other person and the community.

ARGUMENT

7. In this case, where the defendant is a money launderer for an international criminal sex trafficking organization that continues to operate throughout the United States and abroad, and where the defendant has access to vast amounts of cash here and in Thailand and every incentive to flee, the only condition that will assure the defendant's appearance and the safety of the community is the defendant's detention. As discussed in detail below, the 3142(g) factors weigh heavily in favor of the defendant's detention.

8. As set forth in the superseding indictment, the defendant is a key member of a deeply entrenched and highly sophisticated sex trafficking and money laundering organization that has operated since at least 2009. The defendant acts as a money launderer for the sex trafficking organization and in his role has access to a tremendous amount of cash. For example, from October 2012 to July 2014, a single U.S.-based bank account belonging to the defendant shows cash deposits of $256,418 from numerous cities across the United States in which the criminal sex trafficking operation had houses of prostitution. From the same account, the defendant made wire transfers of $145,650 to a bank account based in Thailand in the defendant's name. In a second U.S.-based bank account belonging to the defendant, for the time period of June 2012 to April 2014, the defendant wired $453,000 (over 43 separate

wires) into a bank account based in Thailand in the defendant's name. And this is simply the money that law enforcement has thus far been able to trace. Law enforcement understands from witness testimony[4] that the defendant in fact moved millions of dollars for the criminal sex trafficking organization, and had the ability to move up to $100,000 in sex trafficking proceeds to Thailand in a single week. These witness accounts that have been corroborated in a variety of ways, including through text messages with the defendant. Under these circumstances, a $150,000 bond should not provide the Court with any assurance that the defendant will not flee.

9. Moreover, the defendant's access to cash demonstrates the danger posed by the defendant to the community. Money laundering is the lifeblood of the sex trafficking organization—it cannot effectively operate without a means of transferring cash profits across the country and back to Thailand. Although the instant and prior indictments have dealt a significant blow, to be clear, this sex trafficking organization continues to operate in the United States. Indeed, during the May 24, 2017 arrests, law enforcement seized more

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[4] This testimony includes the testimony of individuals who have been or are currently charged at the federal level as members of this sex trafficking organization and who have cooperated, or are attempting to cooperate, with the government in exchange for a benefit in their case. This testimony additionally includes testimony of individuals who initially minimized their own roles within the sex trafficking organization.

than $300,000 in cash, multiple weapons including an AK-47, and recovered several victims from active houses of prostitution. Should the defendant continue to launder money for the organization he will perpetuate the victimization of untold numbers of additional victims of this brutal organization.[5]

10. The defendant also has substantial ties and travel outside the United States. In addition to the hundreds of thousands of dollars he has sent to bank accounts in his name located in Thailand, the defendant has a current U.S. Passport and extensive and consistent travel outside the United States.[6] The government also notes that the defendant has no known non-criminal ties to the District of Minnesota. Under all of these circumstances, the defendant has every incentive—along with the means—to flee.

[5] Notably, money laundering is a crime that can be committed with little more than access to a smartphone; home detention and/or electronic monitoring of the defendant is insufficient to deter his criminal conduct.

[6] Between 2014 and 2017 alone, the defendant traveled, at least as his initial overseas destination, to Peru, China (multiple trips), Mexico, the United Arab Emirates, and South Korea (multiple trips).

CONCLUSION

For all of the above reasons, the government respectfully requests that the Court first, stay the order by the magistrate judge in the Central District of California releasing the defendant, and second, to review and revoke the defendant's order of release.

Dated: May 26, 2017

Respectfully Submitted,

GREGORY G. BROOKER
Acting United States Attorney

s/ Melinda A. Williams

BY: MELINDA A. WILLIAMS
Assistant United States Attorney
Attorney ID No. 491005DC

CERTIFICATE OF SERVICE

I hereby certify that I have caused a copy of this motion to be sent to counsel for defendant in the Central District of California by transmitting a copy of it by e-mail to attorney David Thomas, who represents the defendant.

Dated: May 26, 2017

s/ Melinda A. Williams

MELINDA A. WILLIAMS
Assistant United States Attorney
Attorney ID No. 491005DC